

# BUSINESS

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## Huge '99 cranberry crop produces dumping discussion

The new chief executive of Ocean Spray Cranberries Inc., Robert Hawthorne, is taking the helm as the industry faces its most vital question since the late 1950s: whether to destroy crops to help shore up prices.

More than 40 years ago, the industry was in turmoil over a US Department of Agriculture report that said chemicals used in cranberry production could cause cancer. Berries by the truckload were subsequently taken to landfills and burned with kerosene.

Today, the question before the USDA's Cranberry Marketing Committee is whether some of this year's crop should be dumped in an effort to reduce huge harvests.

A decision will be made Feb. 28 on whether to take that extreme course of action, said David Farrimond, head of the CMC, which has offices in Wareham. If the decision is "yes," a recommendation will be submitted to the US secretary of agriculture, who will have 60 days to rule on the proposal.

Last March, his committee tried to size up whether there would be a problem with the 1999 crop, Farrimond said. "But up until the last day of harvesting, no one knew that production would be as large as it was." Although there's still no final count, 1999 production in North America is expected to total 7.2 million barrels, or 1 million barrels more than 1998, he said.

Ocean Spray, the Lakeville-based growers' cooperative, will hold its annual meeting Feb. 23, at which Hawthorne and board members will weigh in with their views on the destroy-or-not-destroy question.

"We're analyzing the situation [and Hawthorne] is being brought up to speed on everything," said Chris Phillips, a spokesman for Ocean Spray, owned by 750 cranberry growers and 150 citrus producers in the United States and Canada.

Hawthorne, a Canadian and a former president of Pillsbury Brands Group, became Ocean Spray's senior officer last Monday. He succeeds Thomas Bullock, who announced last June that he would retire sometime this year.

Hawthorne's input is being counted on "because the industry is in disarray and he could help put some of the pieces of the puzzle together," Farrimond said.

"Hawthorne should look at what happened in the late 1970s, when Ocean Spray unilaterally dumped several hundred thousand pounds [of cranberries]. Besides new marketing efforts, that was one of the factors that led to years of prosperity," said John Decas, one of five members of a CMC subcommittee reviewing the dumping issue. He is also a principal of Decas Cranberry Products, an independent company that has facilities in Carver and Wareham. It represents 160 cranberry growers in Massachusetts.

But if the decision is to destroy some crops this year, there will have to be a fair, industrywide consensus on how that will be accomplished, Decas said. "After all, Canadian growers could thumb their noses at a USDA ruling."

To better assess US growers' views, Farrimond said, he will soon make a quick swing of cranberry-producing areas of New Jersey, Wisconsin, and the West Coast. Referring to those growers he said: "I'm guessing they're still up in the air about destroying crops."

Donald LeClair, a director of Ocean Spray and a small grower in Norwell, said one thing is for certain: "[Cranberry] storage costs are high and getting higher."